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Quo Vadis EU?

In June, European voters will choose their representatives in the European Parliament. For many Germans, however – and presumably for many of the other citizens of the European Union (EU) – this will be a day like any other. We have seen very little of an electoral campaign or any concerned public debate on the issues of European integration.

There are many reasons for this, one being the comparative powerlessness of the European Parliament or in other words: the administrative/legalistic system of decision-making within the EU whose specifically bureaucratic procedures are inimical to engaging the citizen and voter in public debate let alone encouraging his or her participation. The costs of collecting information about what actually goes on in Strasbourg and Brussels are high which means the population is poorly informed and electoral turnout at the polls is low. Politicians have seldom provided enough information in the past and it looks as though the chance offered by the election to remedy this shortcoming will pass virtually unnoticed.

This might be acceptable if European integration was more or less a routine matter with the goals of European unification and the means to achieve them clearly defined, i.e. if the whole thing was more or less an inevitable process whose phases might take more or less time depending on the unavoidable costs of national adjustment but whose sequence was ultimately determined by the logic of the whole and all those involved could expect more benefits than costs from the outcome.

Until recently, integration could well have been understood as just such a process, but with the Maastricht Treaty or at least with the implementation of the resolutions adopted there, the integration process has taken on a new quality. The reactions were not exactly encouraging for the Treaty's authors: the United Kingdom and Denmark managed to obtain special provisions for the passage to the third stage of Monetary Union. The United Kingdom refused to sign the European Social Charter; the French referendum on Maastricht was about as close as it could get; the German Bundestag endorsed the Treaty with an overwhelming majority but the majority of German economists are sceptical toward Monetary Union, to put it mildly, and most Germans are reluctant to surrender their Deutschmark. On top of this, the German Constitutional Court has its doubts as to whether a European Federation is compatible with the national constitution.

Where, though, the majority of Europeans would presumably have welcomed a common stance on the part of the EU – common foreign policy, in particular toward the Balkan crisis from the outset – the record has been abysmal. Particularly on the issue of how far to bring the Central European and Baltic states into the process of European integration, agreement has been far from unanimous. This, too, has thrown up basic questions as to the type of unification to be

aimed at, summarized under the heading "enlargement or deepening?". The idea of pursuing both on parallel tracks is no real answer and at best poses additional problems as to the future of Europe.

If these more basic issues are not settled promptly, Strasbourg and Brussels will naturally come to be associated with little more than banana market regulations and the like. The citizen will turn away disenchanted. The European idea can, however, only be achieved with the involvement of its citizens or it cannot be achieved at all.

One cannot help feeling that the process of European unification is still assumed to be somehow automatic, a process that no-one can escape from in the long run. There are, however, good grounds to doubt this. The inception of European integration in the early 1950s or even earlier – starting with the Marshall Plan and the attendant need for European cooperation (as part of the Organization for European Economic Development which later engendered the broader OECD) – was based on very *political* ideas ("No more war in Europe!") and wording alluding to political union had also found its way into the text of the Treaties of Rome. Nevertheless, the European Coal and Steel Community, the subsequent Treaties of Rome and then the Single European Act were all *economic* blueprints pointing the way to a single market with the four freedoms of movement for labour, goods, services and capital. The prime aim of this "integration of the markets" was to eliminate constraints on, and distortions of, inner-Community competition. This aim will be more or less attained with the completion of the single market. Inherent to this development is the enlargement of the EU to include the remaining Scandinavian states and Austria, but also the accession of Central European nations when they have successfully emerged from the transformation phase.

It may appear paradoxical that a centralisation of powers in Brussels was necessary in order to achieve keener competition, deregulation and – measured against previous national conditions – decentralisation in Europe. There is, however, no inevitable need for further centralisation, i.e. for a greater "integration of politics", to guarantee these achievements in the long term. There are only two basic arguments to support this. First, external cross-border effects (e.g. in the environmental sphere) or international economies of scale (in trans-European networks or in defence) argue for political centralisation from the point of view of efficiency. Efficiency is not a yardstick that can be easily adduced in stabilisation policy including monetary policy and is almost untenable for distribution.

The other argument that is left is the fear that the integration achievements under the heading of "single European market" could be in jeopardy because some members might be tempted to glean additional rents by breaking the rules and even be willing to leave the Union for their sake. Closer political centralisation and more distribution activity will raise the costs of deviating or even of seceding, and usually at the expense of the members who are prepared to cooperate and keep to the rules. The vague European notion of cohesion takes on an added meaning here. Political integration beyond cooperative arrangements calls for an additional political rationale for why the former countries should be kept within the Union.

This is all the more urgent if the political goal of cohesion recedes increasingly into the background especially in the course of the debate on Monetary Union. Irrespective of whether Monetary Union is needed to complete the single market (one market, one money) or irrevocably fixed rates will underpin cohesion or bring more costs than benefits, the notion of introducing Monetary Union (because convergence criteria have not been adequately met elsewhere) only for the former EEC core countries along with one or two of the new members is unlikely to advance the idea of European unification, unless we redefine Europe, i.e. in narrower terms. In short: amongst the population, in electoral campaigning and in the European Parliament, there are definitely some basic questions that need discussing and settling. Perhaps the lack of public debate can be explained by the fact that the population and its representatives in Strasbourg and Brussels live in different Europes?

Otto G. Mayer